

CHAPTER NO. 982

SENATE BILL NO. 3178

By Cooper, Kyle, McNally

Substituted for: House Bill No. 3266

By Fitzhugh, Shaw, Hargrove

AN ACT to amend Tennessee Code Annotated, Title 8, relative to compensation of state officials, officers and employees.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 8, Chapter 1, Part 1, is amended by deleting § 8-1-102 in its entirety and by substituting instead the following language:

Section 8-1-102. The salary of the governor shall be the same as the chief justice of the supreme court payable in equal monthly installments out of the state treasury on warrant, which compensation shall be in full for services as governor, but it shall not include upkeep on the governor's residence or such necessary traveling expenses as the governor may incur on behalf of the state. No fees of any kind or character shall attach to the office of governor or in relation to the operation of the office.

SECTION 2. Tennessee Code Annotated, Section 8-23-101, is amended by adding the following language as a new subsection:

(g) For the purposes of § 9-8-303, the salary of a Class One commissioner shall not be less than seventy-five percent (75%) of the salary of the secretary of state.

SECTION 3. Tennessee Code Annotated, Section 8-25-303(a), is amended by deleting the language "twenty dollars (\$20.00)" and by substituting instead the language "forty dollars (\$40.00)".

SECTION 4. Tennessee Code Annotated, Section 8-23-206(b), is amended by adding the following language as a new subdivision:

(3) In the 2006-2007 fiscal year, and in fiscal years thereafter, the maximum level of benefits shall be reached at the thirtieth year of service (three hundred sixty (360) months). No payment shall exceed the applicable longevity dollar amount for the year times the applicable years of service.

SECTION 5. Tennessee Code Annotated, Title 8, Chapter 36, Part 7, is amended by adding the following as a new, appropriately designated section:

8-36-7 . (a) The retirement allowance of each retired teacher, wildlife officer, state police officer, firefighter, police officer and general employee shall be increased effective January 1, 2007, in accordance with the following schedule. Such increase shall be in addition to any other increase in retirement benefits provided by this part.

Date of Retirement	Percentage Increase
prior to 7/2/75	10.0%
7/2/75 - 7/1/77	7.5%
7/2/77 - 7/1/79	6.0%
7/2/79 - 7/1/81	3.0%
7/2/81 - 7/1/83	1.2%
7/2/83 - 7/1/85	0.9%
7/2/85 - 7/1/87	0.5%
7/2/87 - 7/1/89	0.3%

The increase provided by this section shall not be paid retroactively, but shall become effective on January 1, 2007.

(b) As used in this section, "teacher" and "general employee" mean any retired teacher and any retired general employee, as defined in § 8-34-101(18) or (46), and any former teacher or state employee receiving benefits under Chapter 39, Part 1 of this title.

(c) The provisions of §§ 8-36-102 and 8-36-208(a) shall not be construed to prevent any increase in the retirement allowance of a retiree when such increase is in accordance with this section.

(d) Notwithstanding any provision of the law to the contrary, this section shall not apply to individuals who are members of the retirement system by virtue of their employment with any employer participating in the retirement system pursuant to Chapter 35, Part 2 of this title unless the governing body of any such employer passes a resolution to accept the associated liability and costs to provide such benefits. This increase in benefits will become effective following the adoption of the resolution. No retroactive benefits are to be paid under the provisions of this subsection. It is the legislative intent that the state shall realize no increased cost as a result of providing the increase to employees of employers participating in the retirement system pursuant to Chapter 35, Part 2 of this title. All costs associated with such increase shall be the responsibility of the respective employer.

(e) (1) On July 1, 2006, and on each July 1 thereafter, the minimum retirement allowance provided for in § 8-36-209(b)(4)(A) shall be adjusted pursuant to the cost-of-living provisions in § 8-36-701(b)(1) and (b)(2) until such person has been retired from the retirement system for twelve (12) months on July 1 next following the December 31 as of which the adjustment is determined. Provided, however, the first adjustment under this subsection (e) shall occur on November 7, 2006, and on each July 1 thereafter, in accordance with the preceding sentence for persons who are in service on the effective date of this act.

(2) Any beneficiary of any benefit provided to a member of the general assembly pursuant to this subsection may elect to receive an amount less than the amount that member is eligible to receive; provided, that the request is in writing and irrevocable.

SECTION 6. Section 1 of this act shall take effect January 20, 2007, the public welfare requiring it. All other sections of this act shall take effect July 1, 2006, the public welfare requiring it.

PASSED: May 27, 2006


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 27th day of June 2006


PHIL BREDESEN, GOVERNOR